

A LOOK AT THE NICHE STATE OF THE CDFA® PROFESSION

Introduction

The profession of divorce financial planner is growing rapidly. More people in the financial planning and legal fields are learning about what CDFA® professionals do, and more divorcing individuals are becoming aware of how you can help them. At IDFA®, we want to keep a close eye on our expanding niche, so that we can support and educate CDFA professionals with new programs.

The best way for us to adjust quickly to a profession that grows and changes as quickly as this one does is by listening to our members. This is our sixth annual survey and, as always, we are learning from our professionals.

This survey allows us to see trends as they happen, and we thank all of the CDFA professionals that participated. The more we know, the more we can pass on to you!

The Results

WHO ARE CDFA PROFESSIONALS?

Let's look at the demographics of our membership:

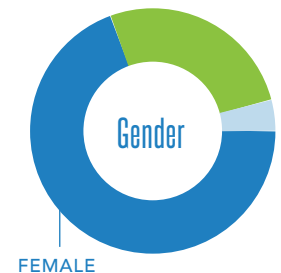
- **67 percent of the respondents were female** a notable number because less than 24 percent of CFPs are female (according the CFP Board). This was an increase from previous years. One possible explanation for this reverse gender split: women often need a CDFA professional's services more than their spouses, and they look to women to help them in that time of need.

Also, many female financial planners get the CDFA designation specifically to help other women.

- **64 percent of the respondents were over the age of 50.** This is up slightly from last year and remains high. This tracks with the larger financial planning industry. We hope that the average age will come down as more young professionals learn about the designation, and we've begun to do more outreach to this age cohort.
- **38 percent of the respondents have been CDFA professionals for less than three years.** This indicates a steady stream of financial advisers coming into the field.

GENDER OF CDFA PROFESSIONALS

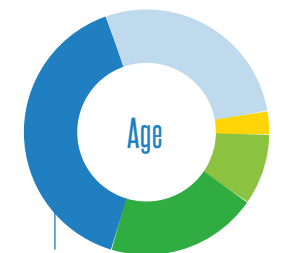
• Female	67.3%
• Male	29.7%
• Prefer Not to Answer	3.0%



FEMALE

AGE OF CDFA PROFESSIONALS

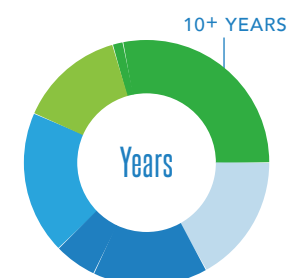
• < 21	0%
• 21-29	2.7%
• 30-39	8.7%
• 40-49	25.0%
• 50-59	35.0%
• 60+	28.7%



50-59

YEARS AS A CDFA PROFESSIONAL

• < 1 Year	18.3%
• 1-3 Years	19.3%
• 4-6 Years	21.9%
• 7-9 Years	13.6%
• 10+ Years	26.9%



10+ YEARS

HOW DOES A CDFA BUSINESS RUN?

The next step was looking at how your fellow CDFA professionals run their businesses. We wanted to examine everything from how extensive a role divorce planning played in their overall business to what and how they charge. Here's what we found:

- Most advisors now use a combination of compensation models, and charging for assets under management continues to increase.
- **49 percent of respondents served five divorce clients or fewer over the past year, and a further 18 percent served six to 10 clients.** This points to divorce planning being one component of planners' full portfolio of clients. That said, divorce-only CDFA professionals are out there; 19 percent of respondents served more than 20 such clients a year.
- A vital piece of information for CDFA professionals is what hourly rate to charge clients. In our survey, **the vast majority of respondents (88%) charge between \$150 and \$300 an hour**—a stable range from last year.
- Following up on a survey IDFA had done earlier in 2007, we once again asked what clients' indicated was the cause of their divorce. The most common responses were: basic incompatibility with infidelity; money issues; emotional and/or physical abuse; and addiction and/or substance abuse.

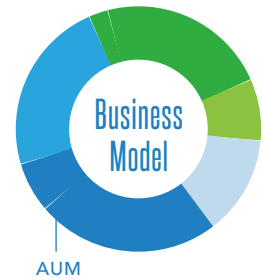
REASON FOR DIVORCE

- Addiction and/or substance abuse 1.6%
- **Basic incompatibility 56.9%**
- Emotional and/or physical abuse 10.3%
- Infidelity and/or sexual issues 17.4%
- Money issues 13.8%
- Parenting issues 0%



BUSINESS MODEL

- Commission 22.0%
- **AUM 47.3%**
- Fee-only 39.0%
- Hourly 36.7%
- Other 13.0%



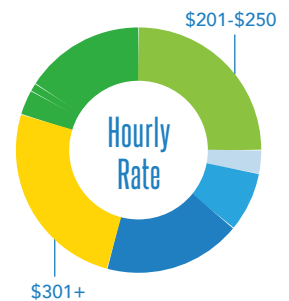
NUMBER OF DIVORCE CLIENTS THIS YEAR

- None 7.7%
- **1-5 41.7%**
- 6-10 18.0%
- 11-15 9.0%
- 16-20 4.7%
- 20+ 19.0%



HOURLY RATE

- < \$100 2.7%
- \$100 - \$150 9.1%
- \$151 - \$200 18.2%
- **\$201 - 250 25.5%**
- \$251 - \$300 19.1%
- **\$301+ 25.5%**



Conclusion

With the State of the CDFA Profession survey becoming an annual measurement, we look forward to seeing clear trends emerge in the years to come.

If you have any additional questions or comments on the survey, please don't hesitate to contact us at support@InstituteDFA.com.